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ExpenseCheck

FEBRUARY 1985
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Communique

The corporate advisory for cost-effective business travel.

TRAVEL EFFICIENCY AND THE BOTTOM LINE

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It is often said that each sales (or service) person should be viewed as an individual profit center. By definition, profits are the result of income minus expenses. The basic objective of a corporate profit center, then, is to widen the gap between revenues and the cost of producing those revenues. So, the individual who increases income and lowers expenses has effectively dealt with the larger corporate objective of profit growth.

An analysis of T & E spending habits is most useful incoming to grips with expense management. Your traveling employees should ask themselves "How much am I spending, on average, for meals? For lodging? For other big ticket items? Am I scheduling my trips in a thoughtful manner? Would improved travel planning have avoided unproductive time on any of my business trips?"

Answers to such questions can help pinpoint expense excesses. Curtailing travel is not necessarily the answer because it assumes that the problem of high T & E costs is rooted in travel frequency. Careful analysis might prove that heavier travel would be justified if expenses were better managed.

For example, a sales or service representative may be able to make one or two more calls on a given day if he/she travels to the destination city the night before rather than driving or flying the morning of the scheduled visits. And the traveler will be better rested and prepared for the calls --- all for the price of a night's lodging!

Linking trips or making a single two-day excursion rather than two separate one-day trips are also effective ways to increase travel efficiency.

On certain occasions, travelers should consider making a telephone call in lieu of a face-to-face visit. Are supplies flowing routinely to a client? Were goods delivered on time and as the customer specified? The personal visit may be necessary the next time. But will a phone call suffice this time?

With the facts at hand, your traveler may see instances where the expense investment is out of balance between high and low volume prospects and customers. The traveler can get at the needed facts through a review and analysis of expense reports, call sheets and ExpenseCheck reports which highlight spending habits by cost item.

"Putting out a fire" and "closing a deal" are popular reasons for a business trip planned in less than an economical manner. And you may have employees whose duties are routinely in one or both categories. However, for most travelers, superior job performance requires an ability to manage time and dollars well, and consistently.

TRENDLINES
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Driven by an increase in travel frequency, as indicated by the upswing in Number of Meals (+10.5%) and Lodging Nights (+16.7%), February Trendlines traveler spending was 10.8% higher than January levels.

Double-digit increases were in evidence for Car Rental (+23.3%), Lodging (+23.2%), Meals (+12.6%) and Public Transportation (+12.5%). Miscellaneous (+4.8%) and Entertainment (+4.2%) expenses also rose. Somewhat offsetting these increases were declines in spending for Postage & Supplies (-6.0%) and Tel & Tel (-2.3%).

Year to date, the Trendlines monthly spending rate through February is 0.8% lower than last year's results. Over that same two-month period, the Consumer Price Index inched upward by 0.6%.

ExpenseCheck Trendlines

Figures compiled from the ExpenseCheck data base of business travelers.

Business Travel Expenses
National

	AVERAGE $ PER TRAVELER MONTH			
	Current Month	Your Company Costs	Year To Date	Your Company Costs
PERIOD COVERED	FEBRUARY 1985		FEBRUARY 1985	
EXPENSES				
Meals	$ 73.98	$	$ 70.38	$
Lodging	152.19		139.72	
Public Transportation	181.27		172.47	
Car Rental	29.50		27.08	
Telephone & Telegraph	77.78		78.58	
Postage & Supplies	27.27		28.02	
Entertainment	71.21		69.97	
Miscellaneous	43.83		42.95	
TOTAL TRAVEL EXPENSES	$ 657.03	$	$ 629.17	$

MEAL ANALYSIS				
Average Number Per Traveler Month	10.5		10.1	
Average Cost Per Meal -	$ 7.04	$	$ 6.97	$
LODGING ANALYSIS				
Average Number Per Traveler Month	2.8		2.6	
Average Cost Per Night -	$ 54.18	$	$ 53.35	$

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ExpenseCheck Trendlines

Figures compiled from the ExpenseCheck data base of business travelers.

Business Travel Trends
National

	Current Month	Your Trendline	Year To Date	Your Trendline
PERIOD COVERED	2/85 vs 1/85		2/85 vs 12/84	
EXPENSES				
Meals	UP 12.6 %		DOWN 18.5 %	
Lodging	UP 23.2		UP 2.6	
Public Transportation	UP 12.5		UP 2.8	
Car Rental	UP 23.3		UP 4.8	
Telephone & Telegraph	DOWN 2.3		DOWN 0.6	
Postage & Supplies	DOWN 6.0		DOWN 8.3	
Entertainment	UP 4.2		UP 12.6	
Miscellaneous	UP 4.8		DOWN 6.9	
TOTAL TRAVEL EXPENSES	UP 10.8 %		DOWN 0.8 %	

MEAL ANALYSIS				
Average Number Per Traveler Month	UP 10.5 %		DOWN 11.4 %	
Average Cost Per Meal -	UP 2.8 %		DOWN 7.9 %	
LODGING ANALYSIS				
Average Number Per Traveler Month	UP 16.7 %		DOWN 3.7 %	
Average Cost Per Night -	UP 4.0 %		UP 5.7 %	

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ExpenseCheck Trendlines

Figures compiled from the ExpenseCheck data base of business travelers.

Business Travel Expenses
US Consumer Products

	AVERAGE $ PER TRAVELER MONTH			
	Current Month	Your Company Costs	Year To Date	Your Company Costs
PERIOD COVERED	FEBRUARY 1985		FEBRUARY 1985	
EXPENSES				
Meals	$ 89.90	$	$ 86.07	$
Lodging	177.70		171.09	
Public Transportation	248.28		244.31	
Car Rental	36.87		30.84	
Telephone & Telegraph	121.92		112.26	
Postage & Supplies	47.69		48.57	
Entertainment	87.98		81.80	
Miscellaneous	57.87		55.30	
TOTAL TRAVEL EXPENSES	$ 868.21	$	$ 830.23	$
MEAL ANALYSIS				
Average Number Per Traveler Month	12.6		12.2	
Average Cost Per Meal -	$ 7.12	$	$ 7.06	$
LODGING ANALYSIS				
Average Number Per Traveler Month	3.2		3.1	
Average Cost Per Night -	$ 55.38	$	$ 55.03	$

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ExpenseCheck Trendlines

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Business Travel Trends
US Consumer Products

	Current Month	Your Trendline	Year To Date	Your Trendline
PERIOD COVERED	2/85 vs 1/85		2/85 vs 12/84	
EXPENSES				
Meals	UP 10.1 %		DOWN 8.0 %	
Lodging	UP 8.7		DOWN 4.1	
Public Transportation	UP 3.5		UP 29.3	
Car Rental	UP 54.0		UP 35.2	
Telephone & Telegraph	UP 20.5		DOWN 11.0	
Postage & Supplies	DOWN 3.8		DOWN 2.7	
Entertainment	UP 17.7		DOWN 10.4	
Miscellaneous	UP 10.5		UP 13.0	
TOTAL TRAVEL EXPENSES	UP 10.4 %		UP 3.8 %	

MEAL ANALYSIS				
Average Number Per Traveler Month	UP 7.7 %		DOWN 9.0 %	
Average Cost Per Meal -	UP 1.9 %		UP 1.3 %	
LODGING ANALYSIS				
Average Number Per Traveler Month	UP 6.7 %		DOWN 8.8 %	
Average Cost Per Night -	UP 1.4 %		UP 5.0 %	

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ExpenseCheck Trendlines

Figures compiled from the ExpenseCheck data base of business travelers.

Business Travel Expenses
US Health and Beauty

	AVERAGE $ PER TRAVELER MONTH			
	Current Month	Your Company Costs	Year To Date	Your Company Costs
PERIOD COVERED	FEBRUARY 1985		FEBRUARY 1985	
EXPENSES				
Meals	$ 87.58	$	$ 85.41	$
Lodging	234.19		217.71	
Public Transportation	318.16		278.49	
Car Rental	47.51		45.32	
Telephone & Telegraph	133.51		131.80	
Postage & Supplies	33.69		33.50	
Entertainment	86.55		79.40	
Miscellaneous	69.47		70.29	
TOTAL TRAVEL EXPENSES	$ 1010.67	$	$ 941.92	$

MEAL ANALYSIS				
Average Number Per Traveler Month	12.5		12.2	
Average Cost Per Meal -	$ 7.03	$	$ 7.02	$
LODGING ANALYSIS				
Average Number Per Traveler Month	3.9		3.7	
Average Cost Per Night -	$ 60.22	$	$ 58.41	$

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ExpenseCheck Trendlines

Figures compiled from the ExpenseCheck data base of business travelers.

Business Travel Trends
US Health and Beauty

	Current Month	Your Trendline	Year To Date	Your Trendline
PERIOD COVERED	2/85 vs 1/85		2/85 vs 12/84	
EXPENSES				
Meals	UP 6.4 %		DOWN 8.2 %	
Lodging	UP 20.5		NO CHANGE	
Public Transportation	UP 43.2		DOWN 5.9	
Car Rental	UP 12.6		DOWN 5.4	
Telephone & Telegraph	UP 3.2		DOWN 10.0	
Postage & Supplies	UP 1.4		UP 11.0	
Entertainment	UP 25.0		DOWN 20.8	
Miscellaneous	DOWN 2.8		UP 15.4	
TOTAL TRAVEL EXPENSES	UP 19.7 %		DOWN 5.1 %	

MEAL ANALYSIS				
Average Number Per Traveler Month	UP 5.9 %		DOWN 7.6 %	
Average Cost Per Meal -	UP 0.4 %		DOWN 0.1 %	
LODGING ANALYSIS				
Average Number Per Traveler Month	UP 11.4 %		DOWN 5.1 %	
Average Cost Per Night -	UP 8.4 %		UP 4.9 %	

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ExpenseCheck Trendlines

Figures compiled from the ExpenseCheck data base of business travelers.

Business Travel Expenses
US Medical Products

	AVERAGE $ PER TRAVELER MONTH			
	Current Month	Your Company Costs	Year To Date	Your Company Costs
PERIOD COVERED	FEBRUARY 1985		FEBRUARY 1985	
EXPENSES				
Meals	$ 112.70	$	$ 102.14	$
Lodging	206.20		183.64	
Public Transportation	238.93		220.19	
Car Rental	27.48		22.76	
Telephone & Telegraph	195.13		193.52	
Postage & Supplies	30.96		31.09	
Entertainment	73.75		71.71	
Miscellaneous	54.69		53.91	
TOTAL TRAVEL EXPENSES	$ 939.85	$	$ 878.96	$
MEAL ANALYSIS				
Average Number Per Traveler Month	18.8		17.3	
Average Cost Per Meal -	$ 5.99	$	$ 5.90	$
LODGING ANALYSIS				
Average Number Per Traveler Month	3.7		3.3	
Average Cost Per Night -	$ 56.15	$	$ 55.04	$

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ExpenseCheck Trendlines

Figures compiled from the ExpenseCheck data base of business travelers.

Business Travel Trends
US Medical Products

	Current Month	Your Trendline	Year To Date	Your Trendline
PERIOD COVERED	2/85 vs 1/85		2/85 vs 12/84	
EXPENSES				
Meals	UP 24.6 %		DOWN 3.0 %	
Lodging	UP 29.9		DOWN 1.9	
Public Transportation	UP 19.8		DOWN 5.0	
Car Rental	UP 56.8		DOWN 13.3	
Telephone & Telegraph	UP 1.8		DOWN 1.4	
Postage & Supplies	DOWN 0.9		DOWN 10.4	
Entertainment	UP 6.2		DOWN 9.6	
Miscellaneous	UP 3.1		DOWN 7.4	
TOTAL TRAVEL EXPENSES	UP 15.8 %		DOWN 3.7 %	
MEAL ANALYSIS				
Average Number Per Traveler Month	UP 20.5 %		DOWN 2.3 %	
Average Cost Per Meal -	UP 3.6 %		DOWN 0.8 %	
LODGING ANALYSIS				
Average Number Per Traveler Month	UP 23.3 %		DOWN 5.7 %	
Average Cost Per Night -	UP 4.9 %		UP 3.7 %	

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ExpenseCheck Trendlines

Figures compiled from the ExpenseCheck data base of business travelers.

Business Travel Expenses
US Pharmaceutical

	AVERAGE $ PER TRAVELER MONTH			
	Current Month	Your Company Costs	Year To Date	Your Company Costs
PERIOD COVERED	FEBRUARY 1985		FEBRUARY 1985	
EXPENSES				
Meals	$ 63.66	$	$ 57.93	$
Lodging	73.08		63.96	
Public Transportation	54.72		53.82	
Car Rental	8.38		9.09	
Telephone & Telegraph	47.93		47.93	
Postage & Supplies	12.85		12.59	
Entertainment	43.38		42.11	
Miscellaneous	87.45		81.05	
TOTAL TRAVEL EXPENSES	$ 391.44	$	$ 368.49	$
MEAL ANALYSIS				
Average Number Per Traveler Month	7.4		6.6	
Average Cost Per Meal -	$ 8.58	$	$ 8.84	$
LODGING ANALYSIS				
Average Number Per Traveler Month	1.5		1.3	
Average Cost Per Night -	$ 48.51	$	$ 48.16	$

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ExpenseCheck Trendlines

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Business Travel Trends
US Pharmaceutical

	Current Month	Your Trendline	Year To Date	Your Trendline
PERIOD COVERED	2/85 vs 1/85		2/85 vs 12/84	
EXPENSES				
Meals	UP 21.3 %		DOWN 16.8 %	
Lodging	UP 32.2		DOWN 18.5	
Public Transportation	UP 3.3		DOWN 22.3	
Car Rental	DOWN 14.2		UP 16.4	
Telephone & Telegraph	NO CHANGE		DOWN 6.8	
Postage & Supplies	UP 4.1		DOWN 2.2	
Entertainment	UP 6.1		UP 6.1	
Miscellaneous	UP 63.8		UP 38.0	
TOTAL TRAVEL EXPENSES	UP 12.9 %		DOWN 5.0 %	

MEAL ANALYSIS				
Average Number Per Traveler Month	UP 29.8 %		DOWN 18.5 %	
Average Cost Per Meal -	DOWN 6.3 %		UP 3.3 %	
LODGING ANALYSIS				
Average Number Per Traveler Month	UP 25.0 %		DOWN 23.5 %	
Average Cost Per Night -	UP 1.6 %		UP 5.3 %	

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